



Japanese Corporate Business Newsletter

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Securing appropriate human resources for international companies in Japan

Specifics, challenges and strategies – from Kienbaum-blog by Etsuji Suzuki (Yokohama)

After more than six years since the introduction of Premier Minister Shinzo Abe's economic reform package "Abenomics" and with the Olympic Games in Tokyo coming up, it is time to take a closer look at the 6,852 islands encompassing East Asian state of Japan. As the world's third largest market and one of the global leaders in technology, research and development, Japan is an attractive location for numerous foreign businesses. However, finding appropriate human resources is a challenge for countless international companies in Japan that can only be mastered when keeping the specifics of Japan's economy and labor market in mind.

Current situation of Japan's economy

- From Abe's viewpoint: improved profitability for companies and low unemployment rate
- From the Opposition's viewpoint: increase in fiscal spending has worsened the fiscal deficit
- Innovative technology as a driver of success for long-term development
- Investment and consumer spending needed to fight deflation

The evaluation of "Abenomics" varies depending on the underlying political and economic perspective. From the viewpoint of Abe's supporters, excessive Yen appreciation has been corrected by monetary easing and flexible fiscal policy, which resulted **in improved profitability for companies and thus higher stock prices**. The most recent unemployment rate went down to 2.4 percent (May 2019, Ministry of Health, Labor and Welfare), which is the **lowest unemployment rate in the past 26 years**.

The Opposition, on the other hand, claims that the increase in fiscal spending **has worsened the fiscal deficit** and that the unemployment rate's decline is an extension of the positive trend following the financial crisis, a trend that has continued since the inception of the Abe administration. Overall, keeping both points of view in mind, the general opinion is that despite some negative aspects, the current administration, which has gained a **solid level of public support**, contributed to the current relatively favorable economic situation.

As far as the future of the Japanese economy is concerned, the Olympic effect, which is expected to add 0.2 percent to next year's GDP, will be of short-term importance. In the long run, the key to sustainable economic development will be **how innovative technologies such as AI, big data and robots can be integrated into the economy**. In order to realize this, "**Open Innovation**" – the development of new products, services and technologies beyond the borders of one single company – will be the driver of success. Since innovation increasingly requires a complex combination of various skillsets and ingredients, the capabilities of one single organization are quickly exceeded.

Last but not least, Japan has been suffering from **significant deflation in recent years**. Necessary for the lasting development of the Japanese economy, along with the above, will be the willingness of Japanese companies to invest and Japanese consumers to spend.

Challenges faced by foreign companies in Japan

- Securing appropriate human resources as the biggest challenge
- English proficiency as a further factor which narrows the potential candidate pool down
- Difficulty to reach the high quality requirements of the Japanese market

Asked about **the most challenging elements of doing business in Japan**, German companies listed "securing appropriate human resources" (88%), "high labor costs" (40%), "foreign exchange risk" (39%), "employee dismissals" (38%) and "employee retention" (37%) in a recent survey conducted by the German Chamber of Commerce.

It is notable that "securing appropriate human resources" is scoring more than twice as high as any other factors due to the **current highly job-seeker-friendly labor market**. Foreign subsidiaries are generally smaller in size than domestic companies, making it difficult for them to

offer similar career development programs. In addition, **English proficiency** – normally a prerequisite for a position at a foreign company – narrows the potential candidate pool further down: Japan is 49th on The English Proficiency Index (EF EPI) and therefore behind many other Asian countries.

In addition, we often hear from our foreign company clients about the **difficulty to reach the “high quality requirements”** of Japanese customers. Foreign-affiliated companies that do not have R&D or manufacturing departments in Japan will therefore spend a great deal of effort in engaging with the engineering and manufacturing departments in their home countries in order to make them understand the special circumstances of Japan. Confronted with such a situation, foreign companies are often **hesitant to satisfy these requirements by investing extra costs and/or time**. As a result, business opportunities may be missed. Hence, making the headquarters understand the uniqueness of the Japanese market in order to satisfy the special requirements of local customers is a key factor for success.

Specifics of the Japanese labor market

- Decreasing workforce leads to a comparatively high job offer ratio
- Declining birthrate and aging population make the recruitment of middle managers difficult
- Low ratio of female labor force participation and only few women in managerial positions
- Extremely low share of foreign residents and difficulties to integrate foreigners

One of the specifics of Japan's labor market is the **decreasing workforce**: The latest effective job offer ratio was 1.61, which is the **highest job offer ratio since February 1974**. The influence of the recent economic expansion is one of the reasons. Another one is that the so-called “baby boomer generation”, born in Japan from 1947 to 1949, has by now retired from the labor market. In addition, the generation which graduated from university in the 1990s had difficulties to enter the job market because of the economic crisis. Many of them are now forced to work on a part-time basis with limited career opportunities. All of these elements contribute to a **significant shortage in the working population which will further aggravate**, making it difficult to secure appropriate human talent.

A second factor to consider is the declining birthrate and aging population. According to a White Paper published by the Japanese Government last year, 26.7 percent of Japanese are older than 65, giving Japan the **highest ratio of the population older than 65 years to the overall population** among major countries. Naturally, this causes a serious impact on the labor market. For example, foreign-affiliated companies often request recruitment of middle managers with prior managerial experience up to their 40s. This age group though has little motivation to change jobs as they still see career development opportunities in their current companies. As a recruiter, we would **recommend to target an even more senior generation**, i.e. managers in their late 50s, who are facing a so-called “executive-age limit” and cannot expect any further internal career development opportunities.

Furthermore, the current status of Japan's female workforce is lagging behind other developed countries. The **labor-force participation ratio for women in Japan drops significantly** between their late 20s and early 30s, caused by marriage, childbirth and childcare. Even though the subsequent “return to employment rate” has been increasing, it is still lower than in the West. This makes it difficult for women to advance to managerial positions. Incidentally, the **ratio of women in managerial positions in Japan is 11.1 percent** (ILO data), which is

only 1/3 of that in Europe and America. In the future, presuming that the necessary infrastructure such as daycare centers is in place, we hope that it will become easier for women to resume working after childbirth, which will then hopefully generate more opportunities for women to be promoted to managerial and executive levels.

Last but not least, the **share of foreign residents is extremely low** in Japan compared to e.g. European countries: As of June 2019, only 2.64 million foreign residents were registered (Ministry of Justice). In addition to the geographical barriers of an island nation, the Japanese society is characterized by very **high conformity pressure**, which, in itself, seems to be an invisible barrier to integrate foreigners. Although the situation cannot be changed instantly, taking the current employment situation into consideration, it should be an option for companies to promote the recruitment of foreigners.

<https://www.kienbaum.com/en/blog/hr-for-international-companies-in-japan/>

QUELLE: KIENBAUM CONSULTANTS INTERNATIONAL



(This article is only in Japanese)

キーンbaumジャパンがダイバーシティ連携協議会KTのネットワーク機関に選出される 未来のエグゼクティブへの支援を目指す

キーンbaum・ジャパンはこのほど、ダイバーシティ連携協議会KTのネットワーク機関に選出された。

ダイバーシティ連携協議会KTは、横浜国立大学が平成30年度文部科学省科学技術人材育成費補助事業「ダイバーシティ研究環境実現イニシアティブ（牽引型）」に採択されたのを受け、2018年に発足した。横浜国立大学、大成建設株式会社、帝人株式会社の3機関の共同実施となる本プロジェクトは、神奈川・東京に拠点を置く企業・研究機関・自治体などのネットワーク機関と協働し、多様性に富む研究環境の整備、女性研究者・技術者の活躍促進を牽引していく目的とする。各種交流会、セミナーの企画・開催を通し、ワーク・ライフ・バランスに配慮した研究環境の整備、女性研究者・技術者の研究力向上とリーダー育成、若手研究者の育成・キャリアパスの構築を目指す。

以下は同機関のホームページにおけるキーンbaumジャパンの紹介である。

組織について（沿革、業種、社風等）

当社は、全世界4大陸に計27の拠点を持つドイツ最大手、ヨーロッパ有数の人事・マネジメントコンサルティング会社の日本支部です。組織における人材の能力を最大限に引き出すことを使命とし、日本では特にグローバルに活躍するエグゼクティブやスペシャリストのサーチを中心に活動しています。豊富な海外ビジネス経験を持つコンサルタントがクライアントのニーズを徹底的に把握し、一貫した信頼関係の中で人材を発掘し、その後も継続して貴社の人材コンサルティングのパートナーであり続けることを目標としています。

ダイバーシティ関連の取組について

人を中心とした組織作りを目指す当社では、性別や国籍の違いを超えて、一人ひとりの能力と特殊性を尊重し、引き出し、育成できるような社内環境の整備を心がけています。具体的にはリモートワークやワークシェアリングなどのフレキシブルな勤務時間、それを可能にする充実したITインフラの他、充実した研修プログラム、各種イベントの実施による社内コミュニケーションなどです。女性

の比率は高く、社員の6割以上を占めています。

本協議会への参加理由

日本における管理職の女性比率はまだ低いのが現状です。今後、働く女性を意識したインフラの整備により、結婚、出産などのライフイベントにより影響を受けやすい女性の就業、管理職への登用も進むものと思われます。グローバル社会で企業が国際競争に打ち勝つには、経験豊富な人材が長期的に活躍できるような環境の整備が不可欠です。多様性の推進を企業と人材という側面から支援していきたいと考えています。

ダイバーシティ連携協議会KT

<https://www.sankaku-diversity.ynu.ac.jp/>

ネットワーク機関の紹介文はこちら

<https://www.sankaku-diversity.ynu.ac.jp/outline/about>

出典: Kienbaum Japan



Prognose: Gehälter in Österreich steigen 2020 im Schnitt um 3,3 Prozent

Kienbaum Wien veröffentlicht Studie „Gehaltsentwicklungsprognose 2020“

- Westeuropäische Durchschnittslöhne steigen um 3,1 Prozent
- Außerhalb Europas werden Gehaltssteigerungen von 4,7 Prozent prognostiziert
- Gehälter der Spezialisten und Fachkräfte steigen am stärksten

Die Gehälter in Westeuropa steigen laut Prognose im Jahr 2020 zwischen 1,3 und 4,8 Prozent. In Finnland steigen die nominalen Gehälter dabei am stärksten, während die Schweiz das Schlusslicht bildet. Österreich und Deutschland liegen mit 3,3 Prozent beziehungsweise 3,6 Prozent im Mittelfeld. Im westeuropäischen Gesamtdurchschnitt erhöhen sich die Gehälter um 3,1 Prozent bei einer erwarteten Inflation von 0,7 bis 2,0 Prozent. Demzufolge werden Reallohnsteigungen von 1,9 Prozent für Deutschland, 1,3 Prozent für Österreich und 0,6 Prozent für die Schweiz erwartet. „Die stärksten Zuwächse der Reallöhne finden mit 3,1 Prozent in Finnland statt“, stellt Alfred Berger, Leiter des Bereichs Compensation & Performance Management bei Kienbaum Wien, fest. Das sind die Ergebnisse der Gehaltsentwicklungsprognose 2020. Sie bietet einen Überblick über

die Gehälter in 38 ausgewählten Ländern mit mehr als 1.200 Teilnehmern aus Unternehmen unterschiedlicher Größe und Branchen.

Fachkräfte profitieren weiterhin von Fachkräftemangel

In Europa zeigen die prognostizierten Gehaltssteigerungen nach Hierarchieebene teils deutliche Unterschiede: In Finnland, den Niederlanden und Belgien werden bei den Spezialisten und Fachkräften die stärksten Gehaltssteigerungen von 6,7, 4,5 und 4,3 Prozent erwartet. Auch in Österreich steigen ihre Gehälter im Schnitt um 3,8 Prozent. „Generell wird angenommen, dass Spezialisten und Fachkräfte am stärksten von der kommenden Gehaltsrunde profitieren werden. Der länder- und branchenübergreifend grassierende Fachkräftemangel stärkt dabei zusätzlich die Verhandlungsposition“, stellt Alfred Berger fest.

Landesbezogene Unterschiede in der erwarteten Gehaltsentwicklung im Top Management und der Vorstandsebene

Im Top Management liegen die Niederlande mit einer Gehaltssteigerung von 4,3 Prozent an der Spitze. Auch auf der Vorstandsebene werden hier die höchsten Gehaltszuwächse mit 5,4 Prozent prognostiziert, für Österreich sind es 3,5 Prozent. Sowohl für das Top Management, als auch für die Vorstandsebene bildet die Schweiz mit 1,3 und 1,2 Prozent das Schlusslicht.

Bis zu 480 Euro mehr Gehalt pro Monat in Österreich

Für Österreich ergeben sich Erhöhungen von 3,0 bis zu 3,8 Prozent in den verschiedenen Hierarchiestufen. Dies bedeutet ein Plus von 115 Euro für die Sachbearbeitung bis hin zu 480 Euro für die Geschäftsführung pro Monat.

Deutlich stärkere Gehaltssteigerung in Osteuropa im Vergleich zum Westen

In den osteuropäischen Ländern wachsen die Gehälter voraussichtlich mit durchschnittlich 4,7 Prozent über alle Hierarchieebenen hinweg und somit deutlich stärker als in Westeuropa. Die prozentualen Gehaltssteigerungen liegen in den Ländern Osteuropas zwischen 3,3 und 9,2 Prozent bei einer erwarteten Inflation von 1,0 bis 12,6 Prozent. In der Türkei steigen die nominalen Gehälter mit 9,2 Prozent weiterhin am stärksten. Ungarn liegt mit einer Gehaltsprognose von 6,3 Prozent dahinter. Im Verhältnis dazu sind die prognostizierten Gehaltszuwächse in Kroatien und Bosnien und Herzegowina mit 3,3 Prozent deutlich geringer. „Die erwarteten, teils sehr hohen Inflationsraten verändern das Ranking“, berichtet Alfred Berger. „Die stärksten Zuwächse der Reallöhne finden mit 2,8 Prozent in der Tschechischen Republik statt.“ Das Schlusslicht bildet aufgrund der hohen Inflation mit -3,4 Prozent die Türkei.



Hohe durchschnittliche Gehaltssteigerungen in China und Indien

Außerhalb von Europa steigen die nominalen Gehälter durchschnittlich um 4,7 Prozent. Im Vergleich der zwölf ausgewählten Länder liegt Indien mit 6,4 Prozent nominaler Gehaltssteigerung auf Platz eins. Dahinter folgen China und Brasilien mit 5,8 sowie 5,4 Prozent. Die höchsten Inflationsraten werden für Südafrika und Indien mit 4,9 beziehungsweise 4,2 Prozent prognostiziert. „Reale Einkommenszuwächse werden in allen betrachteten Ländern außer in Südafrika erwartet“, fasst Alfred Berger zusammen. In Indien werden die Vorstände und Geschäftsführer mit Abstand die größten Gehaltszuwächse erwarten dürfen. Sie liegen bei 7,2 Prozent. In Brasilien gewinnt laut Gehaltsentwicklungsprognose das Top Management um 8,3 Prozent am meisten dazu. Insgesamt profitieren das Top Management sowie die Spezialisten und Fachkräfte am meisten in der nächsten Gehaltsrunde.

Die vollständige Studie ist hier erhältlich: [Zum Kienbaum-Shop](#)

Für weitere Informationen zur Kienbaum-Studie „Gehaltsentwicklungsprognose 2020“ wenden Sie sich bitte an Mag. Alfred Berger (+43 1 533 51 88-21, alfred.berger@kienbaum.com).

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Japanese Corporate Business

The Japanese Corporate Business Group (JCB) was established in 2001. It is the answer to the central challenge faced by international companies: the integration of different corporate and business cultures. The company's objective is to support European subsidiaries of Japanese companies with integrated Human Resource Management in each other's local markets. Thanks to their special cultural and linguistic skills, our consultants offer the best foundation for real cross-cultural consulting. We speak the language of our clients, not only figuratively but also literally. JCB's clientele currently includes over 200 Japanese subsidiaries throughout Europe.

Kienbaum Japan

By opening our office in Tokyo in 2006, we are consistently pursuing our principle of regional presence in a global network. Our local presence enables us to communicate even more intensely with our Japanese clients. Not only do our consultants know the regional market, they also have knowledge of the international sector. Our expertise in the Japanese market is a result of our long-term support of Japanese companies and of having advised subsidiaries of foreign companies in Japan. In a process based on partnership and transparency, we find the best executives and specialists for our clients.

Kienbaum Consultants Japanese Corporate Business Group

Kienbaum Consultants International GmbH

Hafenspitze | Speditionstraße 21 | 40221 Düsseldorf
GERMANY

Kienbaum Japan K.J. Consultants K.K.

2-4-6 Shin-Yokohama, Kouhoku-ku, Yokohama, Kanagawa 222-0033
JAPAN



Etsuji Suzuki

etsuji.suzuki@kienbaum.co.jp
Phone: +81 (0) 45 548 5508
Mobile: +81 (0) 80 4296 1705



Hayato Kamijo

hayato.kamijo-external@kienbaum.com
Phone: +49 (0) 211 96 59 306
Mobile: +49 (0) 151 18 83 77 48

www.kienbaum.jp | www.kienbaum.com | japan@kienbaum.co.jp

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